

## USED OIL FUND ALLOCATIONS DESCRIPTION

The following presents a description of how monies from the Used Oil Recycling Funds are allocated pursuant to Public Resources Code section 48656 which reads:

"After all of the expenditures pursuant to Section 48653 have been made, notwithstanding paragraph(4) of subdivision (a) of Section 48653, the balance remaining in the fund shall be available to the board for expenditure solely for the implementation of subdivisions (b) and (c) of Section 48631 and Sections 48632 and 48660.5. The board shall not expend more than two hundred thousand dollars(\$200,000) to implement Section 48660.5 and at least 40 percent of the money remaining in the fund shall be expended for the purposes of subdivision (a) of Section 48632, at least 10 percent shall be expended for the purposes of subdivision (b) of Section 48632, at least 20 percent shall be expended for the purposes of subdivision (c) of Section 48631, and at least 10, but not more than 15, percent shall be expended for the purposes of subdivision (c) of Section 48632."

Revenues to the Board are provided from oil manufacturer payments of \$0.16 per gallon of lubricating oil sold or transferred for use in the State. Industrial oils are exempt. Sales amount to about 140 million gallons annually resulting in over \$22 million in revenues.

The primary expenditures from the fund include payment of recycling incentives to program participants, up to \$3 million to the Board for direct administration costs, a Budget Act appropriation to the Department of Toxic Substance Control (DTSC) for reporting costs, and up to \$1 million in reserve. Following these expenditures, \$10 million (or 1/2 of the remaining funds, whichever is greater) is available for block grants to local governments.

After the above expenditures and indirect administration costs have been made (e.g., filter pilot, CalEPA appropriation), the remaining monies are available to the Board solely for the following: up to \$200,000 for contaminated oil payments; at least 40% for opportunity grants to local governments; at least 20% for statewide education and information; at least 10% for grants to non-profit entities; and (after 1/1/97) at least 10% but not more than 15% for research, testing and demonstration grants.

The following table illustrates how used oil funds are allocated pursuant to the California Oil Recycling Enhancement Act. The first column lists the description of the line item from the fund. The second column indicates the specific dollar amount or percentage of money in the account allocated to that particular line item. The third column list the statutory authority for the expenditure.

**USED OIL FUND ALLOCATIONS****Revenues**

Oil Manufacturers Payment	16¢ per gallon of lubricating oil	PRC § 48650
---------------------------	-----------------------------------	-------------

**Primary Expenditures**

Recycling Incentive Payment	~ \$2,400,000 FY96/97	PRC § 48653(a)(1)
Reserve	≤ \$1,000,000	PRC § 48653(a)(2)
Administration appropriation (direct)	≤ \$3,000,000	PRC § 48653(c)
DTSC reporting appropriation	~ \$222,000 FY96/97	PRC § 48661

**Secondary Expenditure**

Local Government Block Grants	≥ \$10,000,000 available	PRC § 48653(a)(3)
-------------------------------	--------------------------	-------------------

**Tertiary Expenditures**

other appropriations	~ \$388,000 FY96/97	PRC § 48695 et al.
DTSC enforcement contract appropriation	up to \$250,000	PRC § 48653 (d)
Contaminated Oil Payments	up to \$200,000 available	PRC § 48656 PRC § 48660.5
Local Governments Opportunity Grants	≥ 40% of funds remaining	PRC § 48656 PRC § 48632(a)
Statewide Education & Public Outreach	≥ 20% of funds remaining	PRC § 48656 PRC § 48631(c)
Non-Profit Grants	≥ 10% of funds remaining	PRC § 48656 PRC § 48632(b)
Research, Testing and Demonstration Grants	≥ 10% but < 15% of funds remaining	PRC § 48656 (amended) PRC § 48632(c)